



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-2766
PHONE: (213) 974-8301 FAX: (213) 626-5427

July 15, 2003

TO: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley 
Auditor-Controller

Marcia Mayeda, Director 
Department of Animal Care and Control

**SUBJECT: DEPARTMENT OF ANIMAL CARE AND CONTROL ANIMAL LICENSE
FEE COLLECTION REVIEW**

On April 29, 2003, your Board directed the Auditor-Controller, in conjunction with the Department of Animal Care and Control (DACC or Department), to review the Department's procedures and practices for collecting animal license fees and penalties and to report back by June 30, 2003 with the details of our review and recommendations for improvement. The review was the result of allegations that staff overcharge customers in order to meet their assigned performance expectations.

Methodology

As part of our review, we interviewed Department managers and staff, examined billing and collection documentation, and reviewed the automated system used by the Department to track animal license sales and collections. In addition, we spent two days accompanying Department staff while they canvassed their assigned routes in search of unlicensed pets.

Summary of Findings

Our interviews with canvassing staff and review of the Department's issuance controls did not disclose instances in which the canvassing staff intentionally overcharged customers in order to meet their assigned performance expectations. The overcharging allegedly occurs when canvassers intentionally charge customers for prior years' license fees without confirming the appropriate number of unlicensed years with the customers. Due to the Department's billing and collection system not maintaining the customers' payment history, we were unable to analytically review the Department's

collection data for instances in which canvassers may incorrectly charged customers for prior year licenses. However, the license issuance controls, in addition to the customer's own knowledge of whether their pet was or was not licensed, should help ensure that the Department collects the correct amount of fees and penalties from its customers.

The Department's practice has been to charge for prior year licenses in instances where the prior years were unpaid. Charging the license fees for prior years in which the animals were unlicensed appears to be allowable under County Code Section 10.12.030, and is a practice in other jurisdictions. Charging the license fees for prior years in which the animals were unlicensed may result in some customers unknowingly paying more to the Department than they should. In addition, charging animal license fees for prior years may confuse customers. Customers may not associate the payment of prior year animal licenses with the Department's primary focus for its license enforcement program, which is improving current public health conditions (e.g., rabies control, etc.). Also, the expense of paying for prior years' animal licenses may discourage customers from bringing their animal licenses current, again defeating the purpose of the license program.

We agree the Department should evaluate the impact of discontinuing charging customers for prior years' licenses and instead charge only a penalty. If the Department discontinues charging customers for prior years' licenses, the Department should evaluate increasing the current penalty amount and evaluate the impact of this on the current performance expectations. The penalty should be an amount that will reinforce the importance of licensing as a component of a public health program, and at the same time should not create such a large back payment that customers will try to avoid by not participating in the licensing program. The Department's computer system does not yet capture information that would allow us to estimate the effect this change to a penalty would have on revenue. However, the Department will attempt to analyze this further in its evaluation.

The Department's animal license issuance and collections controls generally comply with the required controls established in the County's Fiscal Manual. Canvassers use pre-numbered receipts to record each animal license fee collection. The receipts issued to customers indicate the amount paid by the customer, identify any penalties, and includes a statement that the customer should contact the Department if a license is not received within 60 days. At the end of the shift, the canvassers' supervisors reconcile the license fees and penalties collected to the pre-numbered receipts issued to customers.

The review disclosed areas in which the Department can enhance its billing practices including providing a listing of fees with the license renewal notices and designating space on the renewal notices for customers to request additional licenses for new pets. The Department also needs to enhance its management reporting system to maintain customer payment history and generate the necessary reports to enable management

to further monitor billing and collection activity. The Department has agreed to implement these changes.

Details of our findings and corrective actions are included in the attached report. If you have any questions, please call us or have your staff contact DeWitt Roberts at (626) 293-1101.

JTM:DR:JK

Attachments

c: David E. Janssen, Chief Administrative Office
Violet Varona-Lukens, Executive Officer
Public Information Officer
Audit Committee

Los Angeles County
Department Of Animal Care and Control

**Animal License Fee Collection
Review**

July 2003

Prepared by:

The Department of Auditor-Controller in cooperation with
the Department of Animal Care and Control

Background	1
Methodology.....	1
Review of Customer Overcharging Allegations	1
License Issuance and Collection Controls	2
Prior Year Licenses.....	3
Fees.....	4
Billing Processes	5
Management Reporting Systems	6
Direct Billing Collection Controls	7
Non-Sufficient Fund Checks	8
Customer Service.....	9

Department of Animal Care and Control Animal License Fee Collection Review

Comments and Recommendations

Background

On April 29, 2003, your Board directed the Auditor-Controller, in conjunction with the Department of Animal Care and Control (DACC or Department), to review DACC's procedures and practices for collecting animal license fees and penalties and to provide recommendations for improvement. The review was the result of allegations that some DACC canvassing staff overcharged customers in order to meet their assigned performance expectation. In Fiscal Year (FY) 2001-02, the Department collected approximated \$7.9 million in revenue from licenses, half of which was collected by its canvassing staff.

Methodology

As part of our review, we interviewed Department managers and staff, examined billing and collection documentation, and reviewed the computer system used by the Department to track animal license sales and collections. In addition, we spent two days accompanying Department staff canvassing their assigned routes in search of unlicensed pets.

The following are the details of our findings and recommendations for corrective action.

Review of Customer Overcharging Allegations

Some canvassers alleged that to meet their performance expectation, they charged customers the maximum number of prior years' licenses, without confirming with the customers the number of years their pets were unlicensed.

Our interviews with canvassing staff and review of the Department's issuance controls did not disclose instances in which the canvassing staff intentionally overcharged customers in order to meet their assigned performance expectations. Due to the Department's billing and collection system not maintaining the customers' payment history, we were unable to analytically review the Department's collection data for instances in which canvassers may have incorrectly charged customers for prior year licenses. However, the license issuance and collection controls discussed further in this report, in addition to the customer's own knowledge of whether their pet was or was not licensed, should help ensure that the Department collects the correct amount of fees and penalties from its customers.

License Issuance and Collection Controls

In California, all dogs over the age of four months must be licensed and have a current rabies vaccination. This has been the law in the state since 1937, and is reflected in the California Health and Safety Code Sec. 121690, as well as in Los Angeles County Code Sec. 10.20.030.

The Department assigns 47 canvassing staff to canvass neighborhoods for unlicensed animals and enforcement of animal licensing laws. The use of canvassers is not unique to Los Angeles County. San Bernardino, Orange, and Riverside counties and the City of Los Angeles also use canvassers. The Department believes that canvassing is the most effective method of enforcing animal licensing laws and attributes Los Angeles County's high compliance rate (estimated at 37% to 47%) to the Department's canvassing program. The County of Orange, which also uses canvassers, estimates an identical compliance rate. By comparison, the City of San Francisco does not use canvassers and estimates its compliance rate at 17%. We agree with the Department that the statistics clearly indicate canvassing is the best approach for achieving licensing compliance.

DACC has established a minimum performance expectation for canvassers of 70 licenses a week averaged over a six-month period. Generally, a minimum performance expectation is appropriate in instances in which staff works independently with little or no direct supervision, as the standard holds staff accountable. We concur with the Department that a performance expectation approach is an effective management tool to measure worker productivity in the licensing program.

When canvassers detect unlicensed animals at residences, the canvasser attempts to interview the customers regarding the unlicensed animals. Based on the information attained during the interviews, the canvassers inform the customers of the appropriate amounts to pay (e.g., altered/not altered, senior citizen rate, etc). The canvassers also may charge the owners for license fees plus penalties for the two prior years, if the canvassers determine that the animals were unlicensed during that period. The canvassers complete a separate receipt for each year that the customer is charged identifying the amount owed plus any penalties.

If there is evidence of an animal but the owner is not at home, an animal license application form is left at the location, with the canvasser's name and telephone number, requesting the pet owner to complete the application. The canvassers also note on the application that they will return the next day to collect the application and the appropriate animal license fee(s).

Generally, the license issuance and collection controls established by the Department to monitor the collection process used by canvassers comply with the County Fiscal Manual (CFM) Chapter 1 internal control standards. Specifically:

- Canvassers use pre-numbered receipts to record each animal license fee collection.
- Receipts issued to customers indicate the amount paid by the customer, identify any penalties, and include a statement that the customer should contact the Department if a license is not received within 60 days.
- Customers receive a schedule of license fees to verify the amount billed by the canvasser.
- At the end of the shift, the canvassers' supervisors reconcile the license fees and penalties collected to the pre-numbered receipts issued to customers.
- Cash collections are deposited in the bank within two days of collection.
- DACC accounting staff reconciles bank statements to canvasser supervisors' reconciliations.

Prior Year Licenses

The Department requires canvassers to charge pet owners for license fees for the two prior years plus a penalty, if the canvassers determine that the animals were unlicensed during that period. The Department chose to limit collections to three years (the current year plus the two prior years) because rabies vaccinations have a three-year duration. Also, the total amount owed is enough to encourage pet owners to maintain a current license without being excessively burdensome.

Charging the license fees for prior years in which the animals were unlicensed appears allowable under County Code section 10.12.030, and is practiced in other jurisdictions. For example, Riverside and Orange counties and the City of Los Angeles also collect license fees for prior years. However, we also noted that some jurisdictions (San Diego and San Francisco counties) do not collect for prior years, but simply charge a penalty.

Charging license fees for prior years may result in some customers unknowingly paying more to the Department than they should. In addition, charging animal license fees for prior years also may confuse customers. Customers may not associate the payment of prior year animal licenses with the Department's primary focus for its license enforcement program, which is improving current public health conditions (e.g., rabies control, etc.). Also, the expense of paying for prior years' animal licenses may discourage customers from bringing their animal licenses current, again defeating the purpose of the license program.

We agree the Department should evaluate the impact of discontinuing charging customers for prior years' licenses and instead charge only a penalty. If the Department discontinues charging customers for prior years' licenses, the Department should evaluate increasing the current penalty amount. The penalty should be an amount that

will reinforce the importance of licensing as a component of a public health program and, at the same time, should not create such a large back payment that customers will try to avoid by not participating in the licensing program.

At this time, the Department's computer system does not yet capture information that would allow us to estimate the effect this change to a penalty would have on revenue. However, the Department will attempt to analyze this further in its evaluation.

In addition, as noted above, DACC established a minimum performance expectation for canvassers of 70 licenses a week averaged over a six-month period. If the Department discontinues charging customers for prior years' licenses, the Department will evaluate the impact of this on the current performance expectations.

Agreed Upon Actions

Department management plans to:

- 1. Evaluate the impact of discontinuing charging customers for prior years' licenses and only charge a penalty if the customers should have had a license for prior years, but did not pay.**
- 2. Evaluate increasing the current penalty, if the Department discontinues charging customers for prior years' licenses.**
- 3. Evaluate the impact on current performance expectations of the discontinuance of charging for prior years' licenses.**

Fees

The Department's animal license fees are approved by the Board of Supervisors and listed in Title 10.90.010 of the County Code. The fees are used to charged residents living in the unincorporated areas of Los Angeles County and 24 (57%) of the 42 jurisdictions that contract with the Department. The remaining 18 jurisdictions that contract with DACC each establish their own animal license fees that DACC uses to charge residents living within the jurisdictions' boundaries. (See Attachment I.)

DACC's establishes its licensing fees based on its determination of what individuals are willing to pay for animal licenses, coupled with a review of the fees charged by surrounding jurisdictions. The Department believes setting fees too high will result in non-compliance. The Department last increased its animal license fees in FY 2000-01. We compared the fees charged by the Department to fees charged in other jurisdictions and found they are comparable. (See Attachment II.)

The Department's animal license fees are used to fund staff to canvass neighborhoods for unlicensed animals. As noted, the Department believes an effective canvassing effort increases the licensing compliance rate and helps reduce the number of

unvaccinated animals protecting the public against rabies. The Department also stated animal licensing also enables their staff to identify the owners of lost animals so that the animals can be reunited with their owners.

Billing Processes

Each year, the Department uses a contractor to mail approximately 300,000 animal license renewal notices to customers that have previously purchased animal licenses from the Department. DACC extracts the licensing data from their automated database system used to track billing and collection information and forwards the data to the contractor. The renewal notice sent to each customer includes the following:

- A tear-off page for payment of fees (plus penalty if past due). The fee amount billed is based on the animal owner's current license information. This page also includes space for the customer to make a donation and choose a designer tag fee.
- A tear-off designer tag order form.
- Department shelter locations, phone numbers and website address.
- Information regarding the date, time and locations within the area where owners may bring their pets for low-cost vaccinations.

The mailers also note that payment is due June 30th and a self-addressed envelope is included for the customer to use. The renewal notices also instruct customers to call the Department if they have not received the animal license(s) within 60 days of mailing their payment.

In general, the billing process used by the Department is appropriate. However, we did note the following areas where the Department can enhance its billing processes:

- **Include a fee listing with customer renewal notices to help avoid customers overpaying fees.** For example, customers who altered their pets in the current year, after paying the unaltered rate in the prior year, may incorrectly continue to pay the higher renewal rate for unaltered animals.
- **Include additional space on the renewal notices for customers to request licenses for new pets, which could result in increased collection.** The renewal notices have a small area for customers to report changes to existing pet information, such as deaths or changes from unaltered to altered. However, the space is not sufficient to report the appropriate information for new pets (i.e., name, date of birth, altered/unaltered, date of vaccinations), nor indicate the associated fee.

Department management should include a fee listing in the animal license renewal notices. Department management should also revise the renewal notice to allow owners to report the addition of new pets and request the associated licenses.

Agreed Upon Actions

Department management plans to:

4. **Include a fee listing in the Department's animal license renewal notices.**
5. **Revise the renewal notice to allow owners to report the addition of new pets and request the associated licenses.**

Management Reporting Systems

The Department uses an automated database system to track animal license sales and collections. The database was developed 10 years ago by one of DACC's staff, who no longer works with the Department. A listing is generated from the database that is used by staff to identify customers that have not renewed their pets' animal licenses.

The database system used by the Department to oversee its billing and collection activity does not provide management with the necessary analytical tools to effectively monitor the billing and collection activity and ensure that customers are appropriately charged. Specifically, we noted the following:

- **The database does not maintain the customers' payment history.** When staff update the database with current year payment activity, they over-ride the customers' payment history. Payment history is important in confirming the appropriateness of fees (and possible penalties) paid by the individuals purchasing animal licenses. For example, historical data can be used by the Department to confirm the appropriateness of customers charged for more than one year by reviewing the customers' historical data for valid licenses in the prior years.
- **The database is not capable of generating specialized reports that enable Department managers to analytically review billing and collection activity.** For example, the Department can not generate reports that list client payment history, amount paid, license effective date, inactive accounts, and new accounts. In addition, the Department does not have the technical staff to support the database.

As previously noted, the Department mails approximately 300,000 animal license billing statements and collects approximately \$7.9 million for animal licenses annually. Because of the large volume of animal license transactions and the database's inability to maintain customer payment history and generate specialized reports, we were not able to analytically review the Department's overall collection activity.

However, the Department plans on replacing the database within the next 12 months. Prior to purchasing the new system, Department management needs to ensure that the

new system can generate the necessary reports to enable management to provide appropriate monitoring of the Department's billing and collection activity. Department management also need to ensure that the new system maintains customer payment history.

Agreed Upon Action

- 6. Department management plans to ensure that the new system can generate the required reports to enable management to provide appropriate monitoring of the Department's billing and collection activity and maintains historical data.**

Direct Billing Collection Controls

During Fiscal Year 2001-02, approximately 40% (\$3.2 million) of the Department's revenue from animal license sales was received through the Department's direct billings (renewal notices).

Similar to the controls over canvassers' collections, the Department makes a conscientious effort to comply with CFM Chapter 1 cash control guidelines. Specifically, we noted:

- Payment amounts are reconciled to the amounts reported on the billing statements.
- Daily collections are deposited within two days.
- Staff who open and sort the mail are independent of staff who prepare the deposit and issue the licenses.

We did note opportunities for the Department to strengthen its controls over direct billing cash collections in the following areas:

- **The Department does not use two staff to open mail, as required by the County Fiscal Manual.** The licensing supervisor opens the mail (renewal notices), sorts the documents by type (e.g., license payments, vaccination documentation, etc.) and assigns staff to verify the accuracy of information and payment amounts. CFM section 1.3.6, requires that a department that receives a large volume of checks by mail have two employees open the mail and record the receipts.
- **The Department does not restrictively endorse all checks immediately.** CFM 1.3.6 also requires departments to restrictively endorse all check immediately. We noted that the licensing supervisor does not restrictively endorse all checks prior to assigning the documents to licensing staff for data entry into the Department's collection database. In addition, we noted that the cashiers at one of the six locations had not restrictively endorsed five checks at the time of receipt.

Department management should require two staff to open the mail and record receipts and should require staff to immediately restrictively endorse checks.

Agreed Upon Action

- 7. Department management will assign two staff to open the mail and record receipts and require staff to immediately restrictively endorse checks.**

Non-Sufficient Fund Checks

CFM Chapter 1 requires departments to post signs indicating that any check returned by the bank will have a \$33 charge added to and become part of the total obligation due to the County. CFM Chapter 1 also requires departments to maintain a non-sufficient fund (NSF) check log to monitor NSF check activity. When receiving an NSF check, departments should immediately send a demand letter by certified mail to the payer notifying him or her of the NSF check and requesting payment for the amount due within 30 days. If the 30 day period expires without payment, departments should immediately refer the NSF check to the Treasurer-Tax Collector.

From July 1, 2003 through May 31, 2003, the Department reported receiving 1,248 NSF checks. For 294 NSF checks the Department collected the check amount plus penalty and referred the remaining 954 NSF checks, totaling approximately \$110,000, to the Treasurer and Tax Collector (TTC). Nevertheless, the Department needs to strengthen its controls over processing NSF checks. We reviewed 45 NSF checks received by DACC during FY 2002-03, we noted the following:

- The Department does not have signs posted in its facilities indicating that any check returned by the bank will have a \$33 charged added to the total obligation. In addition, the Department's license renewal notices and receipts that canvassers issue to individuals purchasing animal licenses do not conspicuously note the County's \$33 charge for NSF checks.
- The Department does not maintain an NSF check log that lists each check's final disposition.
- The Department does not promptly mail demand letters to the payers of NSF checks. The demand letters for the 45 NSF checks sampled were issued an average of 23 days after DACC was informed of the NSF status.
- The Department does not forward the NSF checks to the TTC in a timely manner. The 45 NSF checks sampled were submitted to TTC an average of 53 days after the expiration dates identified in the demand letters.

Agreed Upon Actions

Department management plans to:

8. **Advise the public of the \$33 NSF check charge by ensuring signs are posted at DACC's facilities and including notice of the charge in the Department's renewal notices and receipts used by canvassers.**
9. **Develop a NSF listing to monitor NSF check collection activity.**
10. **Mail demand letters to payers timely and that NSF checks, that are still outstanding beyond the demand letters' termination dates, are immediately sent to TTC.**

Customer Service

The Department has taken actions to improve customer service and to provide customers with greater access to animal licensing requirements and fees. For example, customers that visit the Department's shelters or who interact with DACC field staff have opportunities to complete a survey that evaluates the quality of service customers received (staff's responsiveness, courtesy, etc.) and the shelter's overall condition (physical appearance, cleanliness, etc.) The surveys also provide space for customers to add written comments along with the customer's name, address, and telephone number. In addition, by the end of this calendar year, the Department is planning to send customer service surveys to a sample of customers that purchased licenses from canvassers.

DACC also has established a website with information related to pet licensing requirements, animal shelter locations and telephone numbers, pet vaccination requirements, spay and neuter cost and benefits.

Overall, the Department appears to be committed to an ongoing process of enhancing its customer service and informing the public of the County's animal licensing requirements.

12 MONTH LICENSING FEE SCHEDULE -EFFECTIVE

City	Not altered Dog	Altered Dog	Senior Altered	Senior Criteria	Surcharge Included	Penalty	Unaltered Cat	Altered Cat	Sold at City Hall
COUNTY AREAS	\$30.00	\$15.00	\$7.50	60+ ALTERED ONLY		\$20.00	\$10.00M	\$5.00M	
AGOURA HILLS	\$25.00	\$15.00	\$10.00		\$5.00	\$20.00	\$10.00	\$5.00	
ALHAMBRA	\$30.00	\$15.00	\$7.50			\$20.00	\$10.00	\$5.00	YES
ARTESIA	\$30.00	\$15.00	\$7.50	EFPEC: 05/14/01		\$20.00	\$10.00	\$5.00	YES
BALDWIN PARK	\$20.00	\$10.00	\$5.00			\$20.00	\$10.00	\$5.00	
BELL	\$20.00	\$10.00	\$5.00			\$20.00	\$10.00	\$5.00	
BEVERLY HILLS	\$30.00	\$15.00	\$7.50			\$20.00	\$10.00	\$5.00	
BRADBURY	\$40.00	\$25.00	\$17.50		\$10.00	\$20.00	\$10.00	\$5.00	
CALBASAS	\$20.00	\$10.00	\$5.00			\$20.00	\$10.00	\$5.00	
CARSON	\$20.00	\$10.00	\$5.00			\$20.00	\$10.00M	\$5.00M	
COMPTON	\$20.00	\$10.00	\$5.00			\$20.00	\$10.00	\$5.00	YES
COVINA	\$30.00	\$15.00	\$7.50	EFPEC: 07/19/01		\$20.00	\$10.00	\$5.00	
CUDAHY	\$30.00	\$15.00	\$7.50	EFPEC: 05/10/01		\$20.00	\$10.00	\$5.00	YES
CULVER CITY	\$30.00	\$15.00	FREE	62+ Unlimited NO PRORATE		1/2 license	\$10.00	\$5.00	
EL MONTE	\$30.00	\$15.00	\$7.50			\$20.00	\$10.00	\$5.00	YES
GARDENA	\$20.00	\$10.00	\$5.00	60+ S/N - NO LETER		\$20.00	\$10.00	\$5.00	
HAWAIIAN GARDENS	\$30.00	\$15.00	\$7.50	EFPEC: 05/1 0/01		\$20.00	\$10.00M	\$5.00M	YES
HIDDEN HILLS	\$20.00	\$10.00	\$5.00			\$20.00	\$10.00	\$5.00	
INDUSTRY	\$20.00	\$10.00	\$5.00			\$20.00	\$10.00	\$5.00	
INGLEWOOD	\$30.00	\$15.00	\$7.50	EFPEC: 03/01/01		\$20.00	\$10.00	\$5.00	YES
IRVINDALE	\$30.00	\$15.00	\$7.50			\$20.00	\$10.00	\$5.00	
LA HABRA HEIGHTS	\$30.00	\$15.00	\$7.50			\$20.00	\$10.00	\$5.00	YES
LA MIRADA	\$20.00	\$10.00	\$5.00			\$20.00	\$10.00	\$5.00	YES
LAPUENTE	\$30.00	\$15.00	\$7.50	EFPEC:05/10/01		\$20.00	\$10.00	\$5.00	
LANCASTER	\$30.00	\$15.00	\$7.50	EFPEC: 04/01/01		\$20.00	\$10.00	\$5.00	YES
LOMITA	\$30.00	\$15.00	NONE	45 Day renewal grace period		\$20.00	\$15.00M	\$7.50M	YES Life
LYNWOOD	\$30.00	\$15.00	\$7.50			\$20.00	\$10.00M	\$5.00M	
MALIBU	\$30.00	\$15.00	\$7.50	EFPEC: 05/15/01		\$20.00	\$10.00	\$5.00	
MAYWOOD	\$30.00	\$15.00	\$7.50	EFPEC: 05/10/01		\$20.00	\$10.00	\$5.00	
PALMDALE	\$30.00	\$15.00	\$7.50	EFPEC: 06/23/02		\$20.00	\$10.00M	\$5.00M	
RANCHO PALOS VERDES	\$30.00	\$15.00	\$7.50	60+ SIN		\$20.00	\$10.00	\$5.00	
ROLLING HILLS	\$18.00	\$9.00	NONE			\$25.00	\$10.00	\$5.00	
ROLLING HILLS ESTATES	\$30.00	\$15.00	\$7.50	60+ S/N		\$20.00	\$10.00	\$5.00	
ROSEMEAD	\$20.00	\$10.00	\$5.00			\$20.00	\$10.00	\$5.00	YES
SAN FERNANDO	\$30.00	\$15.00	\$7.50			\$20.00	\$10.00	\$5.00	YES
SANTA CLARITA	\$30.00	\$15.00	\$7.50			\$20.00	\$10.00	\$5.00	
THOUSAND OAKS	\$30.00	\$10.00	\$5.00			\$20.00	\$10.00	\$5.00	YES
TORRANCE	\$40.00	\$20.00	free	65+ 1 per home-need letter		\$20.00	\$10.00	\$5.00	
WALNUT	\$32.00	\$17.00	\$9.50	EFPEC: 05/16/01	\$2.00	\$20.00	\$10.00	\$5.00	
WEST COVINA	\$30.00	\$15.00	\$10.00	60+ 1 per home-need letter		1/2 lic.	\$10.00	\$5.00	
WEST HOLLYWOOD	\$20.00	\$10.00	\$5.00	Senior Citizen cat lic. \$2.50		\$20.00	\$10.00	\$5.00	YES
WESTLAKE VILLAGE	\$30.00	\$15.00	\$7.50			\$20.00	\$10.00	\$5.00	
WHITTIER	\$30.00	\$12.00	\$7.00		\$2.00	\$20.00	\$10.00	\$5.00	

M= Mandatory Cat licensing required in Unincorporated areas and Carson, Hawaiian Gardens, Lancaster, Lomita, Lynwood, and Palmdale

REVISED: 10/22/02

COMPARISON OF LOS ANGELES COUNTY'S PET LICENSE FEES TO THOSE OF OTHER AGENCIES

Annual Animal License Fees by Category	Los Angeles County	Orange County	San Diego County	Ventura County	San Bernardino County	Riverside County	Sacramento County	City of Los Angeles	City of San Francisco
Unaltered Dog	\$30.00	\$49.00	\$25.00	\$40.00	\$60.00	\$50.00	\$30.00	\$100.00	\$24.00
Altered Dog	15.00	15.00	10.00	15.00	12.00	8.00	10.00	10.00	12.00
Senior Rate (for altered dog)	7.50	7.50	Not available	Not available	9.00	6.00	Not available	Free	8.00
Unaltered Cat	10.00	4.00	Not required	40.00	24.00	Not required	30.00	Not required	Not required
Altered Cat	5.00	4.00	Not required	15.00	12.00	Not required	10.00	Not required	Not required
Penalty Fee	20.00	30.00	20.00	Double the fee	15.00	20.00	15.00	Not required	10.00

July 15, 2003

DEPARTMENT OF ANIMAL CARE AND CONTROL

ANIMAL LICENSE FEE COLLECTION REVIEW

AGREED UPON ACTIONS

The Department of Animal Care and Control will take the following steps to complete the Agreed Upon Actions discussed in the Auditor-Controller's Animal License Fee Collection Review.

1. Evaluate the impact of discontinuing charging customers for prior years' licenses and only charge a penalty if the customers should have had a license for prior years, but did not pay.

RESPONSE: The Department will evaluate the impact of discontinuing charging customers for prior years' licenses and only charge a penalty. Discontinuing charging for prior years' licenses will have budgetary implications for both the Department and the cities that contract with the Department to provide this service. Any proposed change to current practice must be discussed with the Department's contract cities that rely on this revenue to offset their animal control costs. The contract cities have already been given this fiscal year's estimated animal control costs and developed their budgets accordingly.

To make an informed recommendation regarding the impact of discontinuing charging for prior years' licenses, the Department will monitor the impact for the first half of this fiscal year. The Department will then evaluate the findings, discuss potential impacts with the contract cities, and provide a complete report to your Board. We anticipate the evaluation and findings to be completed by May 2004.

STATUS: Evaluation has begun.

2. Evaluate increasing the current penalty, if the Department discontinues charging customers for prior years' licenses.

RESPONSE: As part of Recommendation 1, the Department will also collect information regarding the possible effects of increasing the penalty amount. The findings of this evaluation will be included in the report to the Board in May 2004.

STATUS: Evaluation has begun.

3. Evaluate the impact on current performance expectations of the discontinuance of charging for prior years' licenses.

RESPONSE: The Department will evaluate the impact on current performance expectations as part of the review process outlined in Agreed Upon Actions one and two.

4. Include a fee listing in the Department's license renewal notices.

RESPONSE: The Department will include a fee listing, specific as to the area or city where the pet owner lives, on all future animal license renewal notice mailings.

STATUS: The Department will negotiate the change to its current license forms and implement the change at the next license renewal mailing.

5. Revise the renewal notice to allow owners to report the addition of new pets and request the associated licenses.

RESPONSE: The Department will revise its license renewal notices to incorporate this information.

STATUS: The Department will negotiate the change to its current license forms and implement the change at the next license renewal mailing.

6. Department management plans to ensure that the new (database) system can generate the required reports to enable management to provide appropriate monitoring of the Department's billing and collection activity and maintain its historical data.

RESPONSE: Replacing the current software system has been part of the Department's Business Automation Plan, and the selected program has all the capabilities recommended by the Auditor-Controller.

STATUS: The Department expects the new software program to be on-line by the end of this calendar year.

7. Department management will assign two staff to open the mail and record receipts and require staff to immediately restrictively endorse checks.

RESPONSE: The Department has implemented this action.

8. Advise the public of the \$33 NSF check charge by ensuring signs are posted at DACC's facilities and including notice of the charge in the Department's renewal notices and receipts used by canvassers.

RESPONSE: While most shelters have NSF check charge signs posted, the Department will ensure that all shelters are in compliance with this recommendation by August 31. The Department will negotiate the change to its current license forms and implement the change at the next license renewal mailing. All receipts will be updated with this information at the next printing of these forms.

9. Develop a NSF listing to monitor NSF check collection activity.

RESPONSE: The Department has implemented this action.

10. Mail demand letters to payers timely and ensure that NSF checks, that are still outstanding beyond the demand letters' termination dates, are immediate sent to TTC.

RESPONSE: The Department has implemented this action.